

# YOUTH SERVICES POLICY

<b>Title:</b> LaCarte Purchasing Card <b>Next Annual Review Date:</b> 11/22/2015	<b>Type:</b> A. Administrative <b>Sub Type:</b> 3. Fiscal <b>Number:</b> A.3.10
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<b>References:</b> La. R.S. 39:1551-1771 "Louisiana Procurement Code"; Office of State Purchasing Rules and Regulations; Executive Orders: BJ 08-67; BJ 08-77; PPM 51 Contracts for Maintenance, Equipment and Services; PPM Part V, Ch 13 Equipment Purchase Approval; State of Louisiana's Division of Administration's Louisiana "LaCarte" Purchasing Card Policy; ACA Standard 2-CO-1B-09 (Standards for Administration of Correctional Agencies), 4-JCF-6B-05 (Performance-Based Standards for Juvenile Correctional Facilities)	
<b>STATUS: Approved</b>	
<b>Approved By:</b> Mary L. Livers, Deputy Secretary	<b>Date of Approval:</b> 11/22/2013

## I. AUTHORITY:

Deputy Secretary of Youth Services (YS) as contained in La. R.S. 36:405. Deviation from this policy must be approved by the Deputy Secretary.

## II. PURPOSE:

To establish guidelines for the use and administration of the "LaCarte Purchasing Card and Program".

## III. APPLICABILITY:

This policy shall apply to all YS employees designated as authorized users and/or administrators of the "LaCarte Purchasing Card", and their supervisors.

## IV. DEFINITIONS:

**Fraud Purchase** – Any use of the procurement card which is determined to be an intentional attempt to defraud the state for personal gain or for the personal gain of others.

**LaCarte Purchasing Card (P-Card)** - A Visa card issued by Bank of America for the State of Louisiana. This card enables state employees to purchase items with the convenience of a credit card, while providing management with a means of maintaining control over those purchases.

**Non-Approved Purchase** - A purchase made by a State cardholder for whom payment by the state is unapproved.

***Program Administrator*** – The OMF/Purchasing employee designated by the Department Head or his/her designee to manage the agency “LaCarte Purchasing Card Program”.

***Public Safety Services/OMF/Purchasing*** - A section within Public Safety Services responsible for the requisitions and purchases for YS.

***Unit Head*** - Deputy Secretary, Facility Directors, and Regional Managers.

***YS Central Office*** - Offices of the Deputy Secretary, Assistant Secretary, Undersecretary, Chief of Operations, Deputy Assistant Secretary, Regional Directors, and their support staff.

***YS LaCarte Card Liaison*** – A YS Central Office employee responsible for coordinating requests and cancellations, etc. for the “LaCarte Purchasing Card and Program”.

**V. POLICY:**

It shall be the Deputy Secretary’s policy that all YS employees responsible for the use and/or administration of the “LaCarte Purchasing Cards and Program” shall comply with all laws, regulations, and executive orders to ensure proper control of state finances and maximum competition among vendors.

**VI. RESPONSIBILITY:**

- A. The Public Safety Services Office of Management and Finance (PSS/OMF) Program Administrator shall serve as the central point of contact to address all issues and changes necessary to the overall program, and to coordinate such changes with the Office of State Purchasing. The PSS Program Administrator shall issue procurement cards, cancel cards, and prepare monthly reports/reconciliations.
- B. The PSS/OMF Program Administrator shall be responsible for the administration of the “LaCarte Purchasing Card and Program”, compliance with state guidelines in the “Division of Administration Louisiana LaCarte Purchasing Card Policy”, and the “State Accounting and Purchasing Card Manual”.
- C. Unit Heads shall be responsible for ensuring that staff complies with purchasing procedures as established by PSS/OMF/Purchasing.

**VII. PROCEDURES FOR REQUESTING / CANCELLING A LaCARTE PURCHASING CARD:**

- A. YS staff shall obtain a “Cardholder Enrollment Form” from the YS LaCarte Card Liaison.
- B. The YS LaCarte Card Liaison shall submit the completed document to the YS Undersecretary for review and signature.
- C. The YS LaCarte Card Liaison shall submit the signed document to the PSS/OMF Program Administrator for processing.
- D. The Bank of America will Fed-Ex the VISA (“LaCarte Purchasing Card”) to the PSS/OMF Program Administrator, who shall forward the card to the YS employee, along with instructions for use of the card.
- E. Cancelled cards shall be cut in half and sent to the YS LaCarte Card Liaison, who shall submit the cut card to the PSS/OMF Program Administrator with instructions and a completed “Enrollment/Change Form” [see Attachment A.3.10 (a)] to cancel the card.
- F. The PSS/OMF Program Administrator shall send notification to the YS LaCarte Card Liaison when the card has been cancelled. (Note: The anticipated response time for processing the requests through PSS/OMF/Purchasing shall be within three (3) to five (5) business days following receipt of the application or cancellation.

**VIII. CARD ISSUANCE:**

- A. Cards shall be issued in the name of State of Louisiana employees only.
- B. Cardholders shall be approved by PSS/OMF.
- C. Cardholders shall secure and control cards at all times.
- D. Cardholders shall sign a “Cardholder Agreement” form and complete training prior to a card being issued.
- E. Cardholders shall be given a copy of the State, PSS/OMF, and YS policies and procedures for the “LaCarte Purchasing Card and Program”.
- F. Cardholders shall notify the PSS/OMF Program Administrator if fraudulent charges are noticed, as the card may need to be cancelled and another card issued.

- G. Cardholders shall notify the PSS/OMF Program Administrator if use of a card has changed and lower or higher limits are necessary.
- H. Cardholders shall never accept cash in lieu of a credit to the purchasing card account.
- I. Cards shall be embossed with State of Louisiana, Department Name, Employee Name, Employee account number, and State tax-exempt number.

**IX. CARD USE:**

- A. LaCarte is limited to use:
  - 1. By individual state employees authorized by the Undersecretary.
  - 2. By cardholder only.
  - 3. For official state use only.
  - 4. LaCarte shall not be used (regardless of dollar amount):
    - a. For personal use.
    - b. For “gift cards” and/or “gift certificates”, as they are considered cash and taxable, without prior approval by the Office of State Purchasing.
    - c. To avoid appropriate procurement or payment procedures.
    - d. To access cash.
    - e. For travel or entertainment services unless written permission has been granted by the Office of State Purchasing.
    - f. For alcohol.
    - g. For fuel and maintenance. However, in the event that the program is not covered in a certain area then the purchasing card may be used and files must be completely documented.

**X. FRAUDULENT MISUSE:**

- A. An employee suspected of having misuse of the procurement card with the intent to defraud the state shall be subjected to an investigation. Should the investigation result in findings which show that the actions of the employee have caused an impairment to the state service, and should those findings be sufficient to support such action, the employee shall be subject to disciplinary action.
- B. The nature of the disciplinary action shall be the prerogative of the appointing authority and shall be based on the investigation findings and the record of the employee. Any such investigation and ensuing action shall be reported to the Legislative Auditor and the Director of the Office of State Purchasing.

**XI. NON-APPROVED PURCHASES**

- A. A non-approved purchase differs from a fraud purchase in that it is a non-intentional misuse of the procurement card with no intent to deceive the agency for personal gain or for the personal gain of others. A non-approved purchase is generally the result of a miscommunication between a supervisor and the cardholder. A non-approved purchase could occur when the cardholder mistakenly uses the procurement card rather than a personal card.
- B. When a non-approved purchase occurs, the Unit Head shall be notified and the cardholder shall be counseled by his immediate supervisor to use more care in handling of the procurement card. The Unit Head shall then notify the Undersecretary and provide a full account of the non-approved purchase and the actions subsequently taken. This notification shall happen within 14 days of the non-approved purchase coming to the attention of employee's immediate supervisor.
  - a. The counseling may be in writing and maintained in the employee's Performance Evaluation file for no longer than one (1) year, unless another incident occurs.
  - b. The employee may be made to pay for the item purchased inappropriately. Should another incident of a non-approved purchase occur within a 12-month period, the appointing authority may consider revocation of the procurement card.

**XII. CARD SURRENDER:**

Upon termination, resignation or retirement of an employee who was issued a procurement card, the Unit Head must have the employee surrender the credit card on or before the last day of employment to have it cancelled. The card shall be cut in half and returned to the YS LaCarte Card Liaison for handling.

**XIII. SALES TAX:**

- A. State sales tax is “exempt” and should not be charged on card purchases. Corrective action shall be taken if a cardholder continuously allows taxes to be charged to the card.
- B. Cardholders shall make every effort at the time of purchase to avoid being charged state sales tax.
- C. In the event state sales tax is charged and a credit is warranted, it shall be the cardholder's responsibility to have the vendor-merchant (not Bank of America) issue a credit to the cardholder's account.

**XIV. DOCUMENTATION:**

- A. Cardholders shall ensure that documentation is adequate and sufficient to adhere to “State Purchasing Guidelines” and “Accounting Guidelines” for recording of expenditures. Each month YS employees issued a procurement card shall receive a monthly transaction purchasing card statement.

The transactions shall be verified and signed by the employee. Cardholders shall:

- 1. Ensure that all the monthly transactions are reconciled on the LaCarte Purchasing Card Log, and they sign and date the log;
- 2. Attach the original sales receipt along with a copy of the approved “Request for Purchase form (156-B) that corresponds with each transaction to the LaCarte Purchasing Log and the monthly transaction purchasing card statement; and
- 3. Submit the monthly transaction purchasing card statement along with the attached supporting documentation to the supervisor / reviewer to verify the information that the cardholder reconciled on the LaCarte Purchasing Card Log.

After the supervisor / reviewer verifies the accuracy of the information reconciled on the LaCarte Purchasing Card Log, the supervisor / reviewer shall sign and date the log.

A copy of the “LaCarte Purchasing Card Log” shall be faxed to the PSS/OMF Program Administrator (225-925-7458), no later than the 20th of each month.

- B. The cardholder shall never sign the LaCarte Purchasing Card Log as the supervisor / review.
- C. Documentation is required for all purchases and credits.
- D. The cardholder shall maintain a permanent file of all supporting documentation in accordance with record retention laws. This file shall be subject to periodic review by the Office of the Legislative Auditor and any other duly authorized auditor.

#### **XV. PROCEDURES AND CONTROLS:**

PSS/OMF/Purchasing and Accounting shall ensure that necessary procedures and controls are in place for prompt payment, reconciliation, and cost distribution of charges and credits.

#### **XVI. AUDITS:**

- A. YS internal auditing process assures that all procedures, in conjunction with the areas covered in the “Loss Prevention Program”, are conducted annually to ensure a system of checks and balances and compliance. Policies shall also be reviewed annually.
- B. Each Unit Head shall evaluate and respond to internal audit findings and recommendations expeditiously. The response shall include a corrective action plan with estimated implementation dates to resolve findings, whether or not the availability of resources is a restraining factor. Such lack of resources shall be documented.

**Previous Regulation/Policy Number:** A.3.10

**Previous Effective Date:** 02/04/2013



**Attachments/References:** [LaCarte Purchasing Card Log.pdf](#) [A.3.10 \(a\) Visa Card Enrollment Form.docx](#)